

**MINUTES OF THE  
JOINT CAPITAL FACILITIES & ADMINISTRATIVE SERVICES  
APPROPRIATIONS SUBCOMMITTEE  
WEDNESDAY, JANUARY 29, 2003, 2:00 P.M.  
Room 403, State Capitol Building**

Members Present: Sen. Beverly Evans, Committee Co-Chair  
Rep. Loraine T. Pace, Committee Co-Chair  
Sen. Greg Bell  
Sen. Mike Dmitrich  
Rep. Roger Barrus  
Rep. Ralph Becker  
Rep. DeMar “Bud” Bowman  
Rep. D. Gregg Buxton  
Rep. David Clark  
Rep. Stephen Clark  
Rep. Wayne Harper  
Rep. Brent H. Goodfellow

Staff Present: Kevin Walthers, Fiscal Analyst  
Jonathan Ball, Technology Analyst  
Bonnie Brinton, Committee Secretary

List of those also present: Colin Winchester - Executive Director, JCC  
Randa Bezzant - Analyst, GOPB  
Camille Anthony - Executive Director, DAS  
David Lamb - Deputy Director, DAS  
Ken Hansen - Director, Division of Administrative Rules  
Douglas Richins - Director, Purchasing and General Services  
Kim Thorne - Director, Division of Finance  
Mark Bedel - Deputy State Planning Coordinator, Governor’s  
Office of Planning and Budget  
Provo Mayor Lewis Billings - Chair, Quality Growth Commission  
Amanda Eyre - Director of Government Relations, the Nature  
Conservancy  
Bill Oblock - Cache County Agricultural Advisory Board

List of others present on file.

Co-Chairman Loraine Pace called the meeting to order at 2:08 p.m.

**1. Judicial Conduct Commission**

Co-Chair Pace gave a short biography of Colin Winchester, Executive Director, Judicial

Conduct Commission.

Mr. Winchester explained the role and makeup of the Commission and staff. He listed four areas that needed attention:

- a. Computers and software needed updating
- b. Inadequate storage facilities
- c. Cost of contracting out legal services
- d. Cost of passage of HB136 requiring geographic diversity

Mr. Winchester listed three areas of cost containment:

- a. Cancelled legal services contracts
- b. Reduced salary for executive director position
- c. Eliminated part-time employee position

Rep. David Clark asked if some conferencing could be done by phone to reduce costs. Mr. Winchester stated that some conferencing by phone is done; however, some meetings require testimony from witnesses and large amounts of information to review. Kevin Walthers, Fiscal Analyst, stated that the government system is not a secure system for confidential conferencing.

Co-Chair Pace asked Mr. Winchester to respond to the JCC Performance Audit calling for a more open process in sanctioning judges. He said that the Supreme Court had agreed to allow a more open process. Also, Sen. Dmitrich is sponsoring a bill which will provide a more open process. Mr. Winchester stated that there are appropriate reasons for confidentiality in many of the cases.

The Analyst explained that Current Expense in the budget for JCC is used to hire outside investigators and temporary employees based on case load. Since caseload varies from year to year, he recommends non-lapsing intent language.

**MOTION:** Rep. David Clark moved to accept the following intent language:

*It is the intent of the Legislature that funds for the Judicial Conduct Commission not lapse.*

The motion passed unanimously with Sen. Dmitrich and Rep. Harper absent for the vote.

Committee members reached a consensus to vote on budgets at the time they are discussed. Co-Chair Pace stated that the committee can reconsider any budget at any time.

Randa Bezzant, Analyst for the Governor's Office of Planning and Budget, distributed copies of the Governor's budget.

Co-Chair Evans cautioned committee members to be aware that the figures on the Governor's budget are arrived at differently from the budget produced by the Fiscal Analyst.

**MOTION:** Rep. Stephen Clark moved to accept the Analyst's recommended budget for the Judicial Conduct Commission in the amount of \$226,900, with 2 FTE's.

The motion passed unanimously with Sen. Dmitrich and Reps. Becker and Harper absent for the vote.

## **2. Executive Director**

Co-Chair Pace gave a short biography of Camille Anthony, Executive Director, Administrative Services.

Ms. Anthony stated that she had no major concerns with the budget recommended by the Analyst. Mr. Walthers stated that the intent language on page 5 regarding FTE counts was not necessary and Ms. Anthony agreed. She reported on the organization of her department and the careful oversight of her staff to implement cost containment.

Sal Petilos, Internal Auditor for the Executive Director's Office, was introduced. Ms. Anthony stated that he is the only remaining auditor after budget cuts forced the elimination of another auditor who moved to another department and the position has not been filled yet. The Department is waiting to hire an auditor if the funding becomes available. Mr. Petilos is responsible for the auditing of the entire Department of 750 employees.

David Lamb, Deputy Director, Executive Director's Office, explained to committee members that the numbers listed in the chart on page 5 were arrived at before the FTE's were eliminated or moved; and as a result, the actual numbers are less. The chart lists 10 FTE's and there are actually only 8 and 1/10, as the receptionist works also in another department.

Ms. Anthony introduced and recognized the contribution made by David Fletcher, Deputy Director, Administrative Services.

**MOTION:** Rep. Bowmn moved to accept the Analyst's recommended budget for the

Executive Director's Office budget in the amount of \$958,800, with 9 FTE's.

The motion passed unanimously.

### **3. Administrative Rules**

Co-Chair Pace gave a short biography of Ken Hansen, Director of the Division of Administrative Rules.

Mr. Walthers stated that the budget in this Division is less than it was in FY2000. He explained that increased electronic access alleviates the need for hard-copy publications. For the last five years paper subscriptions have dropped as electronic access skyrocketed. Given the decline in print subscriptions he believes that the time has come to convert to a purely electronic delivery system for rules publication. This information would then be free of charge on the internet. Printed copies of the *Digest*, *Bulletin* and *Utah Administrative Code* will still be provided to those willing to pay publishing costs.

Mr. Hansen expressed appreciation to Committee members for their visit. He also expressed appreciation to Mr. Walthers for his assistance. He stated that he supports the Analyst's recommendation of an ongoing General Fund transfer of \$12,500 from the Rules Publishing Program to the Rules Administration Program. He appreciated the fact that the Analyst is recommending that the publishing savings stay in the Division.

Sen. Dmitrich commended Mr. Hansen and the Administrative Rules Division on the critical and helpful service they provide. He stated that he felt it was a very well run office.

Mr. Hansen explained that the Division establishes procedures for administrative rulemaking, records administrative rules, and makes administrative rules available to the public. The Division also provides training to agency rulewriters and administrators, performs one-on-one consultations, publishes a periodic newsletter and distributes the *Rulewriting Manual for Utah*. The Division also provides regular notices to agencies of rules due for five-year review, rules about to expire, or rules about to lapse. He further explained that the Administrative Rules Review Committee seeks to ensure that fiscal impacts arising from rulemaking authority are properly addressed.

**MOTION:** Sen. Bell moved to accept the Analyst's recommended budget for the Division of Administrative Rules in the amount of \$260,600, with 4 FTE's.

The motion passed unanimously with Sen. Dmitrich and Rep. Stephen Clark absent for the vote.

#### **4. Purchasing**

Co-Chair Pace gave a short biography of Douglas Richins, Director of the Division of Purchasing and General Services.

Mr. Walthers explained the service provided by this Division of electronic purchasing for state agencies, local government, school districts and higher education. This is an efficient and effective source of office products and other services to enhance their ability to conduct business. State agencies can save from 53% to 75% of listed retail prices of products bought from the office supply contractor.

In addition, vendors who wish to do business with the State also have the ability to take advantage of electronic commerce by accessing the Division's web site. Vendors can file online bids, receive RFP updates or changes by email and view final bid tabulations upon contract award. The Analyst feels the Division should be complimented for using technology to further open access to taxpayers.

Mr. Richins stated that he appreciated the visit from Committee members. He explained that in 1997 the Legislature reorganized the Department of Administrative Services, merging Central Copying, Central Mail, and Central Stores into the Division of Purchasing. The new division became the Division of Purchasing and General Services. The procurement function that enables other agencies to contract for goods and services remains a General Fund function. Other programs operate as Internal Service Funds and are considered separately in the ISF section of the budget.

Mr. Richins further stated that FTE's will be reduced from 24 to 21 this year. Mr. Lamb stated that this Division received \$135,000 in budget cuts last year, and that DAS is trying to find positions for these three FTE's in other State government divisions.

Jonathan Ball, Technology Analyst, commended Mr. Richins for his involvement in interim session during the year. Rep. Goodfellow also commended Mr. Richins and stated that he staffs the Privatization Policy Commission and isn't getting paid for this service.

**MOTION:** Co-Chair Evans moved to accept the Analyst's recommended budget for the Division of Purchasing and General Services in the amount of \$1,289,400, with 24 FTE's.

The motion passed unanimously with Sen. Dmitrich and Reps. Becker and Stephen Clark absent for the vote.

**5. Finance and Finance Mandated**

Co-Chair Pace gave a short biography of Kim Thorne, Director of the Division of Finance.

**Finance - Administration**

Mr. Walthers discussed the Payroll chart on page 8. Rep. David Clark questioned the rise in FTE's from 16,528 in 1994 to 20,848 in 2002. The Analyst agreed to provide information regarding the increase.

The State issued 603,000 paychecks in Fiscal Year 2002, an average of 23,200 checks per pay period. More than 75% of payroll "checks" are actually electronic warrants automatically deposited into employee accounts. Processing cost per check in FY 2002 was \$1.54 per transaction, down from \$1.60 per transaction in FY 2001.

The Analyst also explained the Finder Program: Finance administers a separate program called *Finder* with the aim of improving the collection of funds owed to the State. State Agencies and Colleges send Finance a list of past-due debts owed them that the *Finder* program matches to tax refunds. If a match is made the payment or tax refund is intercepted and paid to the entity. A fee of \$15 per transaction funds the program.

Mr. Walthers further discussed the Travel Office and stated that even though State agencies may be able to find lower airfares in certain circumstances, he believes that the requirement to use State travel for airline tickets provides lower costs and greater value for the State as a whole. The Travel Office issued 18,787 airline tickets for the State, universities and local government in FY 2002.

Ms. Thorne explained the status of the new Statewide Payroll System. The new system is Internet-based and will eventually allow employees to view their own payroll data and to update some of that data, without involving a payroll technician. This is expected to reduce administration costs and to improve employee satisfaction in all agencies. Using three tests run in parallel with the State's existing payroll system, the Division of Finance and its contractor have successfully identified and resolved a number of issues that generated errors in the new system. Resolution of the new system's errors has cost approximately \$100,000 on top of the system's budgeted \$288,400 contingency. The project steering committee plans to delay implementation until March, 2003.

Regarding cost containment, Ms. Thorne reported that this Division received \$560,000 in budget cuts, resulting in the elimination of six FTE's. She anticipates a reduction in funding this year will result in the elimination of two more FTE's.

An additional issue discussed was the Enterprise System approach which will improve communication among agencies.

**MOTION:** Rep. Barrus moved to accept the Analyst's recommended budget for the Division of Finance in the amount of \$9,408,300, with 83 FTE's.

The motion passed unanimously with Sen. Dmitrich and Reps. Stephen Clark and Goodfellow absent for the vote.

The Analyst explained that in the past, the Division has used non-lapsing funds for the enhancement of accounting systems. He continues to support this use for non-lapsing funds and recommends intent language to this effect.

**MOTION:** Rep. Becker moved to accept the following intent language:

*It is the intent of the Legislature that funds for the Division of Finance not lapse.*

*It is the intent of the Legislature that funds for the Division of Finance which do not lapse are to be used for maintenance, operation, and development of statewide accounting systems.*

The motion passed unanimously with Sen. Dmitrich and Reps. Stephen Clark and Goodfellow absent for the vote.

Mr. Walthers stated that intent language regarding mileage reimbursement was written by the Division of Finance at the request of the Analyst's office.

**MOTION:** Rep. Harper moved to accept the following intent language:

*It is the intent of the Legislature that the Department of Administrative Services develop and implement a mileage reimbursement program that requires agencies to reimburse employees for personal vehicle use at a rate equal to, or less than, the per mile cost of a mid-size sedan operated by the Division of Fleet Operations. It is also the intent of the Legislature that these rules be applied to Legislative Staff, the Judicial*

*Branch and to the Utah System of Higher Education. The rule should make exception for instances where a State fleet vehicle is not available to the employee, for mileage reimbursements for Elected Officials of the State and members of Boards and Commissions who do not have access to the State fleet for use in their official duties.*

The motion passed unanimously with Sen. Dmitrich and Reps. Stephen Clark and Goodfellow absent for the vote.

#### **Finance - Mandated**

Mr. Walthers provided information on the **Post Conviction Indigent Defense Fund**, which provides a source of money for death row inmates to pay legal expenses. In recognizing that the program averaged just over \$25,000 per year in expenditures, the Legislature redirected General Fund for this program to other needs. The program should be able to continue with carry-forward balances in FY 2004. He recommends continuation of non-lapsing authority for the program.

**MOTION:** Rep. Bowman moved to accept the following intent language:

*It is the intent of the Legislature that funds for the Indigent Inmate Defense Fund shall not lapse.*

The motion passed unanimously with Sen. Dmitrich and Reps. Becker, Stephen Clark and Goodfellow absent for the vote.

**MOTION:** Rep. Buxton moved to accept the Analyst's recommended budget for the Post Conviction Indigent Defense Fund in the amount of \$74,000.

The motion passed unanimously with Sen. Dmitrich and Reps. Becker, Stephen Clark and Goodfellow absent for the vote.

Mr. Walthers drew attention to the **Utah Navajo Trust Fund Annual Report** for the information of the Committee members.

**LeRay McAllister Critical Land Conservation Fund** information was presented by Mark Bedel, Deputy State Planning Coordinator for the Governor's Office of Planning and Budget and Provo Mayor Lewis Billings, Chair of the Quality Growth Commission. Mr. Bedel explained that this Fund allows non-profit organizations, the Department of Agriculture and local governments access to funds for open space preservation. He stated



that the Legislature created the Quality Growth Commission to help local governments in planning, to advise the State on matters impacted by growth and to manage the CLCF grant program. He recommended approving the budget as ongoing funds.

Handouts were distributed listing projects funded by this Fund, State and Local Planning, and letters from the Cache Agriculture Advisory Board, the AIA Utah, a Society of The American Institute of Architects, and the APA, Utah Chapter American Planning Association. These handouts were in support of the LeRay McAllister Critical Land Conservation Fund.

Mr. Walthers pointed out that the leverage of outside funding vs. State funds is \$4.94 to \$1.00.

Amanda Eyre, representing The Nature Conservancy as Director of Government Relations, spoke in favor of approving the LeRay McAllister Critical Land Conservation Fund.

Bill Oblock, representing the Cache Country Agricultural Advisory Board spoke in favor of approving the LeRay McAllister Critical Land Conservation Fund.

Co-Chair Evans summarized the discussion by quoting a portion of a letter from the APA: "We strongly urge the Capital Facilities and Administrative Services Appropriations Subcommittee to fund the critical land conservation program in 2004 for *at least* the current level. We also ask that the subcommittee include the same legislative intent as last year, that the cut of \$1,750,000 is one time and not made on-going. This will assure that there is a sufficient appropriation for the Commission to keep the program going for the next fiscal year and assure that it will be adequate to meet the need for preservation in the future."

**MOTION:** Rep. Becker moved to approve the Analyst's recommended budget for Division of Finance - Mandated Expenditures in the amount of \$482,600 with the addition of intent language to be drafted stating that if additional funds become available, this budget would be revisited.

Co-Chair Evans asked for the motion to be split.

The first part of the motion was to approve the Analyst's recommended budget for Division of Finance - Mandated Expenditures in the amount of \$482,600.

The first part of the motion passed unanimously with Sen. Dmitrich and Reps. Stephen Clark, Goodfellow and Harper absent for the vote.

The second part of the motion was the addition of intent language to be drafted stating that if additional funds become available, this budget would be revisited.

The second part of the motion passed unanimously with Sen. Dmitrich and Reps. Stephen Clark, Goodfellow and Harper absent for the vote.

**MOTION:** Rep. Bowman moved to adjourn.

The motion passed unanimously with Sen. Dmitrich and Reps. Stephen Clark, Goodfellow and Harper absent for the vote.

The meeting was adjourned at 4:40 p.m. by Co-Chair Loraine Pace.

The minutes were reported by Bonnie Brinton

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Sen. Beverly Evans  
Committee Co-Chair

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Rep. Loraine T. Pace  
Committee Co-Chair